

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6860**

**BILL NUMBER:** SB 202

**NOTE PREPARED:** Apr 29, 2005

**BILL AMENDED:** Apr 28, 2005

**SUBJECT:** University Bonding.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:** Rep. Buell

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that certain construction projects that are undertaken by the trustees of Indiana University, Purdue University, Indiana State University, Vincennes University, Ball State University, the University of Southern Indiana, and Ivy Tech State College and that have been approved by the general assembly are not subject to review by the commission for higher education. It allows the trustees of Indiana University to issue bonds for acquisition, renovation, expansion, and improvement of the hotel facility adjacent to the conference facility on the Indianapolis campus. The bill authorizes the trustees to use up to \$200,000 of the bond proceeds for an integrated transit study for the Indianapolis campus.

**Effective Date:** Upon Passage; July 1, 2005.

**Explanation of State Expenditures:** *Indiana University Hotel Acquisition Financing:* The bill allows Indiana University to issue bonds of up to \$31.2 M for the acquisition, renovation, expansion, and improvement of the hotel facility adjacent to the conference facility on the Indianapolis campus. The bill provides that up to \$200,000 in bond proceeds may be used for an integrated transit study to ascertain and recommend options for increasing accessibility to the Indianapolis campus and surrounding areas. Hotel income would be used to cover the bond's cost. The approximate debt service cost assuming a 30-year bond at a 4% interest rate would be \$1.8 M per year.

*Higher Education Review:* The bill removes the requirement that the Higher Education Commission review projects approved or authorized by the General Assembly unless the Budget Agency or Budget Committee requests the project to be reviewed. The projects would still require approval of the Governor upon the recommendation of the Budget Agency. The change could reduce the cost and time of approval of projects.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana University; Purdue University; Indiana State University; the University of Southern Indiana; and Ball State University; Commission on Higher Education.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869; Chuck Mayfield, 317-232-4825.